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JUN 07 2002  
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Chairman Michael K. Powell  
Chairman  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

EX-107 OF 178 FILED

Dear Chairman Powell:

EDS is one of many business customers paying a federal universal service surcharge of between 8% and 10.6%. This revenue-based percentage charge requires high-volume users to pay a disproportionate amount of universal service costs. As a result, the current system discourages use of productivity-enhancing communications technologies and creates a strong financial incentive for high-volume customers to use alternative technologies and service packages to reduce their costs – not a good result as our country fights its way out of recession.

The Commission should replace the current revenue-based universal service surcharge with a more equitable charge that would apply to every customer's connection to the network – to residential and business lines on wireline networks and activated telephone numbers on wireless networks. The Commission has requested comment on a universal service funding plan that includes such line and number charges, proposed by a coalition consisting of The Ad Hoc Telecommunications Users Committee, AT&T, e-TUG, and WorldCom. Under this proposal, increases and decreases in universal service subsidies would be reflected in uniform percentage adjustments to all per line and wireless number charges. EDS urges you to adopt this connection-based proposal.

EDS also strongly objects to a recently filed proposal by certain state regulators that would freeze for five years the line and activated wireless number charges applied to residential and single line business customers. This proposal advances no legitimate public interest objective. Indeed, there is not a shred of evidence that proportionate increases in all line and number USF charges, if needed, would adversely affect residential telephone subscription levels or unfairly burden residential telephone service customers. The state regulators would subject business users alone to added subsidy burdens, burdens that could be quite substantial and that could undermine historic support for universal service subsidies.

Very truly yours,

Joseph L. Warnement  
President, Communications Services

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